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ON

TRADE MISSION TO SUB-SAHARAN AFRICA

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OUTLINE OF TRIP CONCLUSIONS

Namibia, Madagascar, Mauritius, South Africa, and African Growth and Opportunity Act (AGOA) Forum and Ministerial

Success of the African Growth and Opportunity Act

- Expanded trade through AGOA has done more to improve fundamental economic conditions within Africa than aid. Many jobs have been created, allowing employees to support themselves and their families.
- AGOA has been successful, particularly in the apparel sector. U.S. imports under AGOA approach close to half of the value of all U.S. imports from the region.
- AGOA has been positively received and most countries have sought to take advantage of the opportunities. Some countries, like Nigeria, are far behind; Nigeria hopes to soon pass transshipment implementing legislation finally making it eligible for the apparel provisions. Others, like Mauritius, are far ahead and seek cheaper labor in countries like Madagascar.
- The AGOA legislation marked the first time ever that the U.S. Congress has granted preferential benefits to apparel from developing countries. The legislation was groundbreaking as well—no other country has provided deeper unilateral cuts for products that matter to Africa.
- African countries should seek to move beyond textiles and apparel. For example, Mauritius is seeking to develop an information technology sector.

Economic and Political Conditions

- Africa has tremendous contrasts. Even the wealthiest countries, such as South Africa, have two economies. The huge disparity between rich and poor and between black and white creates political and economic instability.
- Political destabilization in the region could erode investor confidence. For example, the deteriorating situation in Zimbabwe has repercussions throughout the region, as other African countries refuse to step in. At the same time, Madagascar's success in continuing to attract investment after political unrest following its election last year is a positive and hopeful sign.

Possible Extension and Expansion of AGOA

- The delegation strongly supports President Bush's statement that AGOA should be extended beyond 2008. Even though that deadline is far away, early renewal would boost investor confidence and assist them in making firm decisions.
- The expiration of the third country apparel benefits for the least developed countries in 2004 was the issue most discussed during the delegation's visit.

• Chairman Thomas described AGOA I as an “act of faith,” meaning that the need for additional benefits will have to be proven to many Members because of their controversy. Many Members may look at Africa’s record in supporting U.S. positions in such fora as the World Trade Organization (WTO) in determining whether to continue or expand benefits.

• The best approach on third country fabrics is one of balance—i.e., providing incentives in the cut-and-sew area to bootstrap Africa into more value-added fabric production by creating a solid workforce and infrastructure and then transferring those skills to high-end production, as is occurring in Mauritius and Lesotho.

• However, the development has been slow. Lesotho, for example, which hopes to have a textile factory on line in 2004 which is to supply 80 to 100% of the country’s fabric needs, asked the delegation to extend the third country eligibility deadline so that it could assure infrastructure investors.

• It is important to encourage African countries to integrate regionally so that if some African countries cannot produce sufficient fabric for their cut-and-sew needs, they will purchase from other African countries and not from third countries. This is the best way to make Africa competitive in a post-quota world in 2005. However, it does not appear that any African country is yet ready, or will be ready by 2004, to fulfill this need.

• Use of regional instead of third country fabric maximizes the opportunity for U.S. raw material producers to supply Africa.

African Competition When Apparel Quotas are Eliminated

• When quotas are eliminated in 2005, Africa wants to be in the best position possible to compete with China. If an African fabric industry has not taken root, Africa has little hope of competing. China’s vastness means it could easily overpower the market in 2005 when quotas are eliminated.

• Africa should be encouraged to develop particular niches so that it can compete with China, such as high-end products. The delegation also agreed to approach Customs on behalf of Nigeria to request that hand-loomed traditional fabric be extended benefits upon export to the United States under provisions already in the legislation.

• Africa has some advantages over China. For example, many of the industry representatives that the delegation spoke to mentioned that China’s worker rights compliance rates are quite low compared to Africa, making Africa more attractive as a source.

U.S. Partnerships

• The United States produces some of the best inputs in the world. AGOA has paved the way in establishing a structure that rewards the use of U.S. or African inputs. U.S. cotton and U.S. yarn stand to be huge beneficiaries of the AGOA legislation.

• The delegation plans to explore opportunities for increasing U.S. partnerships in the region. One possibility is to seek funding through the Trade and Development Agency for a “reverse mission” in which African cotton and yarn purchasers travel to the United States to meet with potential U.S. suppliers.

HIV/AIDS

- In some African countries, this epidemic is killing one out of every four or five people, creating tremendous political and economic costs which may affect investment decisions.
- There seems to be government awareness and recognition of the problem in Africa, even in countries where there had been initial resistance, such as South Africa. In touring a clinic specializing in the care of pregnant HIV-positive women, the delegation was gratified to see how much progress has been made although still aware of the enormous challenges ahead.
- Africa needs continued U.S. financial and technical assistance to combat this epidemic.
- As much as an access to medicines issue, HIV/AIDS is an education and awareness problem. Prevention is key.
- In the WTO, Ministers should commit to not bring cases against poor countries utilizing compulsory licensing to obtain drugs to fight epidemics such as AIDS. At the same time, the United States Trade Representative (USTR) should seek a solution in the WTO that allows that only the least developed of countries to have this access, and drugs covered should only be those used to fight epidemics. Otherwise, abuse will lead to collapse of intellectual property rights.

Southern Africa Customs Union

- The Southern Africa Customs Union (SACU) provides an enormous opportunity to deepen and make permanent the benefits of AGOA while giving the United States access to the often protected markets of the SACU countries, particularly in the areas of services, intellectual property, investment rights, and industrial tariffs. Such a trade agreement would mature the relationship between Africa and the United States.
- Such an agreement should be more comprehensive than a SACU agreement with Europe, thus providing strong U.S./Africa ties covering substantially all goods and services. An agreement would deepen U.S. economic and political ties to the region, lend momentum to U.S. development efforts, encourage greater U.S. investment, and promote regional integration and economic growth.
- At the same time, there is a tremendous variation in the economies of the five countries (South Africa, Namibia, Botswana, Lesotho, and Swaziland), complicating a negotiation.

Conflict Diamonds

- The United States should pass legislation as quickly as possible to put us in compliance with its WTO and Kimberley Process obligations.

Africa and the WTO

- Many Members may tie increased access under AGOA to a willingness by Africa to work with the United States in other fora, such as the WTO.
- The European Union (EU) has taken advantage of the traditional links between Africa and the EU to press Africa to support its agenda in the WTO against the United States in such important

areas as genetically modified organisms, geographical indicators, agriculture subsidies negotiations, and industrial tariff reductions.

- Particularly in the area of genetically modified organism (GMO) corn, where the EU is exerting subtle but heavy pressure on the African countries to reject biotech corn, the EU's self-serving stance harms the African countries whose people are starving. At the same time, Europe's position does great damage to the biotech industry by fueling groundless fears that such products are unsafe and unhealthy.
- The U.S. goal to eliminate agricultural subsidies should be viewed positively in Africa because it would eliminate the distortions that subsidies create.
- In addition, the U.S. position on the elimination of non-agricultural market access (i.e., industrial tariffs) should be seen as a means to increase access of African products into the U.S. market. At the same time, the United States should continue to work with these countries to determine whether their tax structure should be adjusted because they depend on customs duties for revenue.
- African countries should be encouraged to make sanitary and phytosanitary decisions on the basis of sound science.

Technical Assistance

- African countries need continued technical assistance to establish viable economic capacity, a well-grounded rule of law in the continent, and efficient government practices.

DISCUSSION OF TRIP MEETINGS

CAPE VERDE

Country Briefing With Ambassador Johnson

During a refueling stop in Cape Verde, Members were briefed on economic and political conditions on the islands by U.S. Ambassador Johnson.

Cape Verde is a series of ten islands off the coast of Africa. The climate is much like the Sahara Desert. Tourism is a substantial source of economic activity with major traffic flows coming from Europe. Historically, the islands have been one of the world's top producers of sea salt used to preserve catches in the fishing trade. Per capita income is approximately $1,300 per year. Expatriate Cape Verdeans, many living and working in the U.S., are a significant source of funds for the economy.

With regard to energy, the country depends largely on oil from Angola. Energy production varies island by island. Access to potable water is also an issue that the nation will face as it seeks economic growth.

The country is building exports under AGOA but also depends on international food aid and other forms of assistance. Portugal provides a substantial amount of aid. The Ambassador reported that the United States is providing Cape Verde with technical assistance in Cape Verde's bid to join the WTO. The country can produce wine, tuna and coffee, among other products, but appears unlikely to achieve self-sufficiency in agriculture.

Politically, the country has a democratic orientation. The last two elections have been peaceful, and although the most recent election was decided by twelve votes, the transition between governments was peaceful.

NAMIBIA

Namibia has a population of 1.74 million people and a gross domestic product of $4.2 billion growing at 3.9% per year. Namibia receives $178 million in foreign assistance including $7 million from the United States. The literacy rate is 81%, and due to former South African administration there is high quality infrastructure in place including roads and electricity distribution. Diamonds, base metals (zinc and copper), and white fish were Namibia's leading exports. U.S. exports to Namibia of $249 million consisted primarily of vehicles and parts. Namibia's exports to the United States annually total $38 million and consist largely of copper, fish and ocean products. Namibia has recently modernized its port at Walvis Bay and added major roadways, providing access to Johannesburg, South Africa, Zambia, and Zimbabwe.

Namibia is a newly independent country having been ruled for decades by South Africa, which applied apartheid policies toward the population. As such, land reform is a major issue since white Namibians are the predominant landowners; however, Namibia is adhering to the rule of law as it addresses this distribution issue. The economy has historically been built on mineral extraction such as diamonds, zinc, and copper. Namibia is expanding into fostering tourism, agriculture, and value-added hydrocarbon production. AGOA has already had a major impact on the economy by attracting manufacturing jobs. Namibian officials are enthusiastic about a U.S.–SACU Free Trade Agreement.

Country Team Briefing With Ambassador Kevin McGuire, Windhoek and Etosha National Park, Namibia

Ambassador McGuire and his team provided the delegation with a briefing on the political, economic, health, and wildlife conservation issues of Namibia with special attention paid to trade and the effects of the AGOA legislation. The Ambassador opened by noting the positive political atmosphere in Namibia and how the government wanted to use market-oriented policies to develop the country. This is remarkable given that many of Namibia's leaders once professed revolutionary and Marxist policies, but embassy staff maintain that a "real conversion" has occurred. Namibia has high indices on education and low levels of corruption. Like many newly independent African nations, Namibia is still dominated by revolutionary leaders of the "old guard," but Namibia has a solid constitution and legitimate emerging opposition parties. The United States provides assistance to Namibia through U.S. Agency for International Development (USAID) to advance democracy building. On the issue of terrorism, the Ambassador complimented Namibian officials on understanding the issue and being willing to help fight terrorism.

The Ambassador noted that the new Ramatex factory brought $200 million of foreign direct investment into the country from Malaysian investors and created 4,200 badly needed jobs. More textile/

apparel investors (Taiwah Manufacturing and Rhino Manufacturing) are expected, soon adding $115 million in investment and 6,000 additional jobs—all directly attributable to AGOA. Within three years of AGOA, the three companies expect to hire 10,000 employees and export $120 million per year in products. The Ambassador noted that AGOA II gave Namibia Least Developed Country status for purposes of allowing Namibia freer use of non-regional fabric in its U.S. exports. This was justified because of the skewed per capita earnings in Namibia whereby most Namibians by which the few wealthier residents skew the statistics upward despite the fact that most Namibians are very poor.

The embassy team also described the devastating impact of HIV/AIDS on Namibia. There is a 23.3% infection rate for pregnant women, and 230,000 Namibians are currently infected with the HIV/AIDS virus. By 2010, 20% of the country's gross domestic product (GDP) will be devoted to health care. By 2020 there is a projected loss of 35% of the workforce. There are now 82,000 orphans, which will increase to 120,000 in three years. Namibia has one of the highest tuberculosis rates at 640 per 100,000 persons. According to the Center for Disease Control (CDC) Officer, Namibia initially suffered because of the passive or unhelpful attitude toward HIV/AIDS of the South African government. Today the newly independent Namibian government is very active in recognizing the AIDS epidemic and working with the United States to fight against it. The 81 Peace Corps members in Namibia help to educate Namibians on AIDS. The CDC Officer has an office at the Namibian Ministry of Health and works closely with Namibian officials.

The CDC Officer addressed the question of AIDS drugs. He said that drugs and therapy are only part of the solution "but not the solution." A lot of work must be done on prevention and education. AIDS drugs require very precise and continuous administering. The challenge is that with so many infected people, it is difficult to treat all of them. The government expects to be able to treat about 1,000 people without substantial foreign assistance. With assistance, Namibia can treat 40,000 over five years. Many Namibians are unaware that they are infected with the HIV/AIDS virus. The United States has played a key role in providing voluntary testing facilities and giving counseling. The Officer emphasized that counseling is often as important as treatment because people must recognize the behavior that leads to infection and must come to terms with the social pressures related to AIDS and sexual behavior.

One strong foundation to begin with is the mother-child transmission program, which the United States began a few years ago and which Namibia is poised to pick up. Namibia also wants to begin an aggressive tuberculosis treatment program since AIDS threatens to reactivate latent tuberculosis bacteria that have otherwise been under control. In the opinion of the CDC Officer, the AIDS epidemic could lead to a tuberculosis epidemic. The USAID Officer described the education efforts to explain AIDS through radio and television. Community-based groups are now providing education in local languages. The Ambassador remarked that the U.S. Department of Defense (DoD) has also contributed to this effort in cooperation with the Namibian military, which also faces heavy infection rates. DoD has a multipurpose clinic in Walvis Bay, Namibia which is staffed in part by Peace Corp volunteers. Abbot Labs has offered to donate the tests for mother-child transmission, which cost $2 each.

Embassy staff also briefed the delegation on wildlife conservation in Namibia, which has a reputation for effective and responsible conservation efforts as the delegation noted in the Etosha National Park. For example, the Convention on International Trade in Endangered Species (CITES) Secretariat that oversees the Agreement permitted Namibia the extraordinary act of selling 10,000 tons of ivory on the world market because of Namibia's excellent efforts to protect wild elephants. Normally the sale of ivory is strictly prohibited. The Namibian ivory was gathered as a result of culling activities when the population grew too large for the area and for natural resources to sustain.

Chairman Thomas made the point that the current intellectual property debate in the WTO is far too narrowly focused. It detracts from the wider issues of healthcare and prevention programs that are important. Also, the epidemic will have severe consequences for the economies in Africa as large portions of the population die, leaving orphans and widows that must be cared for. Moreover, there are social implications for so many orphans being raised without parents.

Chairman Thomas and the delegation noted that it is important that Members of Congress see the programs they vote for. A relatively small appropriations of $1 million can make a very large difference in countries like Namibia.

Chairman Royce asked what USAID projects should be funded. The USAID Officer replied that the United States seeks stronger democratization in Namibia since it is now dominated by the revolutionary party SWAPO, South West African Peoples Organization. Currently the democratization funding is at zero but in the past there have been effective education programs in conjunction with the non-governmental organizations on advocacy skills. Most important, "we do not want a chain reaction as in Zimbabwe," meaning that effective institution building and respect for rule of law principles can help Namibia work through its domestic issues fairly and without destabilizing effects.

Chairman Thomas asked what could be gleaned from the trip that could be useful in attracting support for the SACU Free Trade Agreement. The Political Officer confessed that U.S. interest is small given the small economy and trade relationship with Namibia alone. U.S. companies are unlikely to be able to crack the public owned utility sectors. They have been commercialized but the government provides money as needed because the sectors employ so many people. There is potential for U.S. exports in agriculture and pre-cut housing (given the shortage of houses). Some U.S. companies like Oakwood Homes have experimented with houses that are shipping container shaped, i.e., the walls of the container become the walls of the house, and the fixtures are inside.

Cotton grown in Namibia, where there is far more water than in the southern Kalahari desert region, is exported raw although more is expected to be used domestically with the new textile/apparel plants. Notably, the U.S. Cotton Council is visiting Namibia shortly because of interest in supplying the new textile plants. Namibia views the Free Trade Agreement (FTA) as a way to lock-in the AGOA benefits which will otherwise expire. Even before AGOA II provides more benefits to Namibia, the Namibian leadership recognized the benefits of diversifying the economy into value-added industry. For example, they are now trying to cut and polish diamonds rather than simply mine and export diamonds in their raw form. They rightly view this diversification as a way to develop the skills of their workforce.

Chairman Nussle asked about the Namibian's views on GMOs. The Political Officer replied that Namibia has not been involved but is not opposed to GMOs. The only concern has been whether their use will impact exports to the EU, especially beef. Namibia buys white maize from the United States and also non-GMO corn and wheat. Capacity building assistance on the GMO issue would be helpful. Given the shortage of corn regionally, there have been some South African farmers who are planting GMO corn.

The delegation took a "windshield tour" of Windhoek and observed the German influence on the architecture and also the clean and well-maintained streets and shopping areas. However, the lack of water and thus vegetation gave the landscape and residential areas a barren look. The delegation passed through the poorer areas of town which showed clean, well-kept, pre-built houses often with televisions visible inside. The delegation noted that virtually all of the houses had some form of wall or fence often topped with barbed or razor wiring because of the high crime rate.

Visit to Ramatex textile and apparel factory, Windhoek, Namibia

Ramatex Namibia is a subsidiary of Ramatex Berhad of Malaysia. The Namibian factory broke ground in August 2001 and is a fully integrated textile and garment manufacturing plant, currently employing 4,200 Namibians. Current exports go only to U.S. buyers including Sears, K-mart, and Target. Since beginning production in June 2002, exports total $11.5 million. The delegation was shown the manufacturing process and noted the 5–10 year old German built equipment used throughout the plant. There were a few, newer, Taiwan-built yarn spinners in use at the plant. Also notable was the relative lack of ergonomic seating for sewing, which contrasted with other plants visited on the trip. For example, worker seats were bare, narrow, wooden stools with no staging area for managing inputs and outputs at the work station. Nevertheless, the work area was clean and uncluttered. The delegation noted fire escape routes marked on the floor and other safety features such as worker ear plugs and masks. Workers typically work 9 hour days, 5 days a week, and workers receive overtime for work on Saturday. Pay is 27 Rand per day minimum with an added piece-rate bonus incentive. Workers bring their own food.

One problem encountered by this factory is the lack of transportation out of the factory and to the port. Trains and roads are a bottleneck for production. As with all aspects of the trip, HIV/AIDS casts a pall over the economic potential of the country given the projected loss of 35% of the workforce by 2020 and 20% of the GDP devoted to health care expenses by 2010.

Working Lunch, Windhoek, Namibia

Foreign Minister Hamutenya hosted the delegation with Trade Minister Nyamu and Finance Minister Mbumba. The Ministers stressed their appreciation for the support that the United States is providing to improve relations with Namibia. The Ministers also viewed AGOA and a potential U.S.-South African Customs Union FTA very positively and made clear that Namibia intends to use market principles as a means to promote development of the economy and its human resources. Congressman McDermott took advantage of the opportunity to promote the interests of Boeing in providing a solution to Air Namibia's fleet restructuring needs. The delegation's visit and goals were positively reflected in the press.

MADAGASCAR

En route to the AGOA Forum in Mauritius, the Delegation made a brief overnight stop in Madagascar. The focus of the visit was a January 13 tour of the COTONA vertically integrated textile and apparel facility in the highland industrial city of Antsirabe, a thirty minute flight by small plane from the capital. COTONA is one of the most modern fabric and apparel factories in sub-Saharan Africa.

Visit to COTONA textile and apparel factory opening, Antsirabe, Madagascar

The delegation joined President Ravalomanana in participating in the ceremonial opening (at the COTONA (French acronym for cotton mill of Antsirabe) industrial site) of the Cottonline apparel plant in which a U.S. firm, Brandot Holdings, is a 25 percent joint venture partner. Stressing the theme "AGOA—Making a Difference in Africa," the factory partners and President Ravalomanana thanked the "godfathers of AGOA" for the framework that led to $40 million in investment and 3,000 new jobs at the site being visited. They cited AGOA as a catalyst for investment in new and upgraded facilities and a vehicle for improving the lives of thousands of Malagasy.

The COTONA Complex was originally established by a Madagascar-based family firm (Groupe Socota) in the 1950s. COTONA developed into one of Madagascar's two major cotton fabric mills. The founders chose Antsirabe because of its central location and good transport connections, and the plant's production focused on the domestic Malagasy market for 40 years. In the 1990s, imports of cheap Asian fabrics and used clothes forced COTONA to re-engineer itself in a strategic shift. COTONA turned up-market, adding more sophisticated equipment and targeting export markets through apparel firms in the Export Processing Zone (EPZ) established in 1990.

COTONA supplemented its sales of fabric to EPZ firms by building its own apparel factory on the Antsirabe site—Columbia Clothing Company. Commercial production at Columbia started in 2001 and now the firm employs 1,500 employees in two daily shifts. Opportunities under the AGOA legislation led to further equipment upgrades and the construction of an entirely new apparel factory, Cottonline. High capital costs and the desire to transfer and share expertise led to a four-way joint venture arrangement for the Cottonline factory. Equal joint venture partners are: the Madagascar firm Groupe Socota, the U.S. firm Brandot Holdings Ltd., and two Sri Lankan firms (MAST Holdings and Phoenix Ventures Ltd.). A large U.S. apparel buyer and distributor, MAS Industries, and its founder, Martin Trust, have been key in the development of purchases by the U.S. firm Limited Brands from COTONA. The two Sri Lankan firms had worked with Limited Brands and MAS Industries for more than a decade prior to the Cottonline project.

The delegation toured the COTONA integrated fabric mills, which transform cotton fiber grown in northwestern and southwestern Madagascar into cotton fabric. The facility uses 100 percent Malagasy cotton (4,500 tons per year of California Acala and Israeli Pima types) grown on Groupe Socota lands or purchased from other local producers. The building encompasses 1 million square feet, on a 3 million square foot site. The CODEL viewed the spinning, weaving and finishing processes, the latter including bleaching, dyeing, and printing. Spinning operations include 23,000 spindles and several hundred high-speed cone-winding spindles. Annual yarn production is substantial: 2,500 tons of open-end yarn, 1,200 tons of combed yarn, and 800 tons of carded yarn. High-speed weaving involves the latest generation of air-jet looms and dyeing, and printing and finishing equipment is state-of-the-art and all installed in 2000 or later.

The COTONA fabric mills produce 22.5 million SMEs (square meter equivalents) per year. Principal U.S. customers include Limited Brands, Levi's-Dockers, and Gap, Inc. The delegation also toured the adjacent Columbia Clothing Company apparel facility, which was running an order for Express, a Limited Brands affiliate.

The Cottonline plant represents new investment of $9 million and covers 112,000 square feet. It runs in double shifts, with 1000 sewing operators producing both knit and woven garments on 500 machines. Chairman Thomas commented positively on the quality of the lighting and work environment, noting that both the sewing machines stands and workers' chairs were ergonomically sensitive. Initial products at Cottonline are knit tops for women and boxer shorts for men, with capacity to produce a full range of underwear, sleepwear and casual wear for men, women, and children.

In the ceremonial opening, President Ravalomanana cut the ribbon to open the new Cottonline plant and heard the employees of the new facility sing the Malagasy national anthem on a factory floor decorated with U.S. and Malagasy flags. He and the factory partners spoke briefly before the delegation and invited guests. The President delivered his remarks entirely in English (then in Malagasy) emphasizing his business background and understanding that private sector investment must drive economic growth and development in Madagascar.

In his speech and in a meeting with the delegation, Ravalomanana emphasized that Madagascar has re-opened for business after the recent political crisis and that he is committed to making his country "number one" in the African region. The joint venture partners stressed the 21st century technology, sharing of expertise and commitment to maintain and expand the facility at a world-class level. Chairman Thomas said that he viewed AGOA as the “Africa GO Act” and that export-led growth as exemplified by the fiber-to-garment operations in Antsirabe was just the sort of development the drafters intended.

President Ravalomanana’s presence at the factory, whose working conditions were exemplary, signaled that AGOA has made a difference in Madagascar that its leadership, and the private sector, wants to see continue.

MAURITIUS

Country Briefing With Ambassador Price and Deputy Chief of Mission Bisa Williams, Port Louis, South Africa

Mauritius is an ethnically and religiously diverse society. The official language is English. Socially, use of French and Creole are common. Per capita incomes are relatively high for the region, from $3,700 to $4,000/year.

Mauritius has developed a democratic government. It is one of the most economically successful nations in the AGOA region. Historically dependent on sugar production, Mauritius has been very successful in developing a sophisticated, competitive textiles industry. The government has viewed developing a trained labor force as a crucial element of economic development and has, since achieving independence, made substantial investments in public education. As the government recognizes that increased costs will make it more difficult for Mauritius to remain competitive in textiles over the long term, the government is attempting to promote electronic commerce. Mauritian textiles companies are also examining other AGOA nations, particularly Madagascar, for investment opportunities. The Mauritian government has encouraged the private sector to make these kinds of investments.

Mauritian businesses are increasingly entering offshore banking. Embassy officials noted the government has established a financial crimes unit and is cooperating with the United States in a number of areas.

The Mauritian government identifies strongly with Africa and the AGOA nations. They have engaged in discussions to convey to other AGOA nations the techniques Mauritius used to develop its economy.

Mauritius claims the islands in the chain which includes Diego Garcia where the United States has a substantial military presence. The Mauritian government disputes the United Kingdom’s claims to these islands and has made attempts to draw the United States into discussions of Mauritian claims of sovereignly over Diego Garcia. Embassy staff noted that the United States continues to take the position that the United States has a valid agreement with the United Kingdom allowing use of Diego Garcia and that the United States will not engage in discussion of Diego Garcia’s status with Mauritius.

AGOA Trade and Investment Forum

In Mauritius the delegation participated in the AGOA Trade and Investment Forum or "Government Forum" and in several sessions of the Private Sector Forum and the non-governmental organizations (NGO) Forum which met simultaneously under the aegis of the Government Forum.

The Government Forum was held on the Campus of the University of Mauritius. Ministerial delegations of up to eight members from the thirty-eight AGOA-eligible countries took part in plenary and breakout sessions addressing such themes as Trade, Conditions for Investment, and Investing in People. United States government agencies participating in the Forum included the U.S. Department of State, the U.S. Trade Representative, U.S. Department of Commerce, U.S. Department of the Treasury, U.S. Agency for International Development, and the Trade Development Agency. Chairman Thomas joined Ambassador Zoellick, Deputy Secretary of Commerce Sam Bodman, and AID Administer Andrew Natsio and counterparts in the Government of Mauritius on the stage at the opening ceremony of the AGOA Forum.

During the ceremony Ambassador Zoellick pointed out that Africa's share of global trade has dropped from nearly 4 percent in the 1960s to less than 2 percent today and that Africa has seen too little globalization, not too much. He urged Africans to consider how to compete successfully with China, India, and other apparel exporters when WTO quotas on apparel come off at the end of 2004. He said that Africa's voice matters in the Doha trade negotiations and that he wants to work with Africans, particularly as key deadlines in the agriculture talks approach. "We also need to work together to ensure special treatment for truly needy countries—like those in Africa—and guard against efforts by better-off countries to insist on parity with Africa."

AGOA Private Sector Forum

The parallel private sector event, the AGOA Private Sector Forum, was organized by the Mauritius American Chamber of Commerce (AmCham), the Corporate Council on Africa (CCA) and the African Coalition for Trade (ACT). Chairman Thomas participated in the opening panel at the AGOA Private Sector Forum that included Jaya Krishna Cuttaree, Minister of Industry and International Trade of Mauritius and Martin Trust, founder of MAST Industries and senior advisor to Limited Brands.

In his address to the Forum, Minister Cuttaree praised the AGOA legislation for bringing about a significant increase in two-way trade between Africa and the United States. "The benefits of expanded trade for African countries have come in the shape of more jobs and larger national incomes through exports," he said. "These gains are all the more important as they offer the possibility for our economies to move beyond the constraints of exports of primary commodities and reach for higher levels of growth powered by manufactured exports as well as newly developed services. Economic growth in our region turns notably on foreign investment and technology transfers; AGOA has made a promising start in activating these flows."

In his remarks, Chairman Thomas said he came to Africa to analyze the effects of AGOA. Although Europe "talks a good game," it was the United States Congress, he said, that was actually willing to open up unilaterally to African apparel and other products. AGOA II and Trade Promotion Authority passed by one vote twice in the House, and then by three votes on final passage of the conference report. In order to expand AGOA further, Chairman Thomas said, he will need to be able to make the case to Members of Congress that their votes have made a difference for Africans. The goal of AGOA is to encourage not only "cut and sew" apparel jobs, but also sophisticated management and marketing jobs, democratic reforms, and new opportunities to provide education. Chairman Thomas said he is looking for a closer relationship between African countries and the United States in the WTO. African countries and the United States have common interests in ensuring that science is the basis for sanitary and phytosanitary restrictions. Likewise, there should be a shared view about geographical indications, which are used to establish exclusive rights to trade for certain producers, building in an economic advantage for Europe.

While saying Africa has a lot to be proud of in that the region has doubled its shipments of apparel exports to the United States in just two years, Martin Trust warned that China is looming as a huge competitor. He said the job of the apparel customer is to state clearly what product is wanted at what time, and the job of the factory is to do the rest—with no excuses. Customers, he said, expect: (1) acceptable quality no matter the price point; (2) competitive pricing; (3) strict compliance with legal and ethical standards; and (4) on time delivery. To be highly successful, the AGOA region needs to have a bigger and better African workforce. This will require technical education, on-the-job training, and ultimately technical schools to enhance and teach the skills needed in the textile and garment sector. Characterizing his message as "tough love" from an "old friend, committed supporter, and active investor," Mr. Trust said that Africa needs to establish market share, increased reliability, and a solid reputation for performance right now.

Lagesse School (Spouse Program)

The school, which receives U.S. government support, provides blind and visually impaired students with life and job skills. School leadership explained that blindness is still stigmatized on Mauritius. Many families have historically limited education for visually impaired children. As a result, the school provides education in basic skills such as traveling alone and other functions which children will require for survival. Training in reading and other areas is provided as well. The school offers training in crafts as a means of providing job skills. Students are taught to make wicker products, including baskets and complex furniture, for retail sale. Other students were training for careers in therapeutic massage.

Queen Elizabeth College (Spouse Program)

The College is a girls' school currently serving students in their teens. Training is provided in art, literature, the sciences and, increasingly, in computer skills. Students are selected through a series of competitive examinations. Because university space on Mauritius is limited, many of the students will seek higher education outside the country. The United Kingdom, France, and India are among the places students often seek schooling. A number of the students noted that they would like to study in the United States but that limitations imposed by U.S. immigration law made it hard for them to attend U.S. institutions.

Floreal Women's Center (Spouse Program)

The group was introduced to the facility and its services by the Minister of Women's Rights, Child Development and Family Welfare, Mrs. Marie Arianne Navarre-Marie.

The Center provides a diverse set of educational programs intended to improve women's economic and social standing. Programs ranged from home economics, nutrition, clothing production, stress management, handicrafts, and personal grooming to domestic violence prevention and child care. The Center's clinic also provides counseling and medical services.

Meeting With Deputy Prime Minister Berenger and Foreign Minister Gayan

Under an agreement with the current prime minister, Berenger will become Prime Minister in the fall.

Berenger opened the meeting by stating that Mauritius stands behind the United Nations and the United States in wanting Iraq to disarm. He explained that Mauritius has a small economy, making it vulnerable. He pointed to the special relationship that Mauritius has with the EU. He noted that the free trade agreements that the United States is negotiating threatens Mauritius.

Chairman Thomas introduced the delegation, noting that it is bipartisan and represents two key Committees. He said that the United States has been pleased with the role that Mauritius has played in the Security Council and noted that the United States hopes that Mauritius can help find a successor that will be as conscientious. With respect to bilateral trade agreements, the Chairman said that such agreements allow the United States to make many friends, and he hastened to assure the Mauritian officials that they should not view such agreements as threatening. With respect to agriculture trade issues, he said that he hopes that Mauritius and the United States can stand together to assure that real science is utilized, both with respect to sanitary and phytosanitary issues as well as genetically modified organisms. He also asked for Mauritius' support in the WTO on geographical indicators, so that quality, and not merely historical origin, is the primary issue. He added that the United States and Mauritius have the potential for a long and prosperous relationship, and uniting instead of taking separate positions helps each country.

Congressman McDermott then asked the Deputy Prime Minister what would make a difference for Mauritius with respect to AGOA. Berenger replied that Mauritius has been able to exploit key provisions of unilateral preference programs offered by the United States and the EU. As an example, he mentioned the EU sugar policy, which gives Mauritius access to the EU at three to four times the world price. As for textiles, he noted that Mauritius has benefitted from its relationship to the European Union, noting that

Mauritius has to look out for itself. On Madagascar, he said that he thinks things are moving in the right direction after the troubled election last year, and Mauritius is trying to get the African Union to accept Madagascar as a full Member.

Foreign Minister Gayan stated that AGOA is very young and has just begun. He said that Mauritians have a distorted understanding of the United States. Oil has historically been the major driving force for U.S. investment in Africa, but Africa can do other things. Decision-making in the United States, however, is complex because of its lobbying culture, and it is important to develop mechanisms for dealing with Congress directly to help Mauritians understand how to interact better.

Gayan brought up the relationship between HIV/AIDS and the WTO, noting that there was an opportunity in the WTO to deal with this issue, but the United States did not go along with other countries. The issue is of grave concern, and Gayan asked the Members to explain the U.S. position. Galan then concluded by saying that there is a tendency to lump Africa into a single bloc, which does disservice to the notion of cooperation. He also noted that an opportunity to press Zimbabwe on land reform is being missed.

Chairman Thomas responded to all of these comments, noting that Europe provides Mauritius with narrow opportunities so that "if Mauritius is tied to history, it will be left behind by history." He answered the question on AIDS by saying that the United States has determined not to use WTO dispute settlement against an African country imposing compulsory licensing for an epidemic such as AIDS, but the United States believes this flexibility should not be used as an opportunity to ignore international law. On Zimbabwe, he stated that the delegation was greatly concerned about Mugabe's land policy, noting that perhaps the reaction in Africa has been tempered by its historical relationship with South Africa. He suggested that if the dispute is dealt with in a concerted way, Africa would be seen as maturing.

Congressman McDermott mentioned that many former Mauritians are affected by the Zimbabwe land policy and that the United States and Mauritius should "double team." The problem is related to colonization in general, and countries other than Zimbabwe, such as Namibia, are experiencing a similar problem.

The Deputy Prime Minister said that Mauritius takes a broad view on the Zimbabwe question. It is wrong to attack Zimbabwe solely on the land issue; instead the issue is one of rule of law, democracy, and human rights. He noted that Mauritius recently prevented Zimbabwe from taking a leadership role in an international organization, which was seen as a strong signal. He then pointed to other countries in the region, noting that Angola and the Congo have progressed from civil war. Cote d'Ivoire, on the other hand, "breaks our hearts."

He responded to the Chairman's question on geographical indicators by stating that it is not a big issue for Mauritius. He said he could not remember where Mauritius is on the issue but that Mauritius wants to be fair and open-minded. The Chairman responded by stating that the United States is looking for friends to help on such issues. He noted that the United States has opened its market to Africa despite political cost and hopes to work with Africa to overcome other differences. Congressman McDermott noted that the Mauritius Ambassador to the United States has been particularly effective in working with members of Congress. Chairman Thomas added that passage of the original AGOA bill was an "act of faith" for many Members, and he must continue to show Members that they made the right decision.

Minister Gayan stated that it is very difficult to have an AGOA of indefinite duration. Africa needs a longer time span for investors to recoup their investments. Chairman Thomas said that he hopes that Africa can bootstrap and build upon the benefits in AGOA, particularly the third country fabric benefit for the least developed countries. If the third country provision is open-ended, only cut-and-sew operation will continue to develop. The AGOA dates are not termination dates, he said, but opportunities for monitoring progress. He added that he needs information to show Congress the progress that Africa is making on indigenous fabric production. He concluded that his preference is for short-term third country fabric, noting that an opening for all as part of a broader agreement is the better approach.

Congressman McDermott noted that Chairman Thomas acted quickly to move AGOA II, and he cannot imagine that the Chairman would "abandon" Africa.

Berenger concluded by saying that Africa needs funding for education and reform. He mentioned that Mauritius is trying to develop an information technology sector. He quoted Ghandi, who called Mauritius a "great little country," noting Mauritius is improving all the time.

AGOA Civil Society Forum

Chairman Thomas began by noting that as its success was far from certain, passing AGOA was an "act of faith" by the Congress, but the idea of "doing nothing for Africa wasn't working." He reported that in the "political bargain" to pass AGOA, other regions of the world had to suffer a loss of U.S. market share. He also emphasized the importance of technology transfer in textile investment in Africa; Congressional intent was not for the continent to "get a few years of cut and sew" out of AGOA.

Chairman Thomas expressed hope that AGOA would encourage increased democracy and transparency, which would help the AGOA program receive continued support in Congress. He told the group he is looking for the opportunity to tell colleagues that positive results come from the increased market access that AGOA granted. He emphasized the sensitivity of the textile industry in the United States and said that many people were willing to give lip service to helping Africa, but when it came to granting greater market access to African goods, much of that support fell away. He concluded that Congress "would continue to write [trade] legislation" on Africa.

Congressman McDermott reported that the United States needed a trade policy, but also an economic development policy for Africa, including an HIV/AIDS policy. He expressed hope that the United States would do a good job balancing these policies.

Congressman English reported that as chairman of the steel caucus in Congress, he took an "eclectic approach" to trade. As an original co-sponsor of AGOA, he was interested in labor and environmental standards, being concerned about avoiding a "race to the bottom." He also noted that he was "here to listen."

Chairman Nussle said that he is a newcomer to the issue and had supported AGOA "out of faith." In supporting AGOA, he had an interest in moving away from aid to trade. He also noted that he is mindful of agriculture and is constantly looking to expand opportunities for U.S. agriculture abroad. He also emphasized that he was "here to listen."

Congressman Royce stressed that AGOA was the United States" effort to combat Africa's economic marginalization: "something had to be done to give African investment a boost." He noted that AGOA results-to-date were encouraging and reported that it would be desirable to move toward free trade agreements with African countries. FTAs would make AGOA benefits permanent. He discussed how AGOA, through its eligibility requirements, created leverage for economic reform in African countries.

When asked about greater engagement with Africa, Chairman Thomas noted that AGOA II legislation cleared away the dispute over the duty treatment of merino wool apparel items and increased the caps on apparel imports. Congress took this action because it wanted people to know that it was concerned about Africa.

When asked about eligibility criteria, Rep. McDermott noted that non-governmental organization's could provide a valuable set of eyes and ears in the community as to whether countries were abiding by the AGOA criteria. He stressed that he was interested in hearing from NGOs.

Chairman Thomas was asked whether trade benefitted the "common man," to which he responded that the goal of AGOA was to maximize employment. If there are excessive demands about employment conditions, investors would be deterred from African countries. He noted that employment conditions in Madagascar textile plants the delegation visited are quite high. He emphasized that the goal was not to generate short-lived "cut and sew operations" in Africa. Congressman McDermott noted that some countries would be able to take advantage of AGOA, but others would not—and this competition among African countries was beneficial.

When questioned about sanitary and phytosanitary standards, Chairman Thomas noted that the United States is making many technical efforts to help developing countries meet U.S. standards. He stressed that the WTO and others needed to "get serious" about standards. He also noted that the state of California spent a considerable amount countering non-indigenous pests. For Africans seeking to export agricultural products, meeting these standards would be a major but fruitful investment. He stressed that the United States is not willing to compromise its food safety standards. Africa should strive to raise its standards, not lower U.S. standards. Congressman McDermott spoke about the importance of protecting the food supply. He noted that the U.S. intent is not to keep African products out but to raise health standards.

Chairman Thomas responded to questions about GMOs by emphasizing that the goal was "to minimize the propaganda and bad science."

When asked whether foreign policy considerations affected AGOA eligibility, Chairman Thomas noted that there is a tension in the U.S. system between the Congress and the executive branch, which does see trade as part of its broad political agenda, but that this was a healthy tension. He warned that Congress would not accede to the granting of market access under AGOA or any trade agreement if it is not consistent with the eligiblity criteria in legislation.

Chairman Thomas noted that both bilateral and multilateral approaches to trade, when used simultaneously, are complementary, noting that "collectively you can do a better job if individually you are improving."

When asked about HIV/AIDS, Chairman Thomas said that it is completely unacceptable that infection rates in some African countries are in the 33 percent range. It is a problem of "politics, economics, and logistics." The United States has agreed, he noted, not to bring nations to dispute resolution if they are addressing HIV/AIDS. Congressman McDermott emphasized the importance of African political leadership to combat the epidemic—"political capital must be spent." He also noted that in education efforts, "the message must be delivered in the language that people make love in." He said that relaxing patent standards alone wouldn't be sufficient.

The Lesotho labor organizer raised the issue of labor standards, and Congressman Thomas recognized that it is a challenging issue. He warned that U.S. companies could not be expected to invest in a developing country with an undeveloped workforce and abide by U.S. labor standards. That standard would result in no investment—"Standards are essential, but standards that would stop the process [of investment in the developing world] make no sense whatsoever. What we are doing is called a start." The first goal is to get countries to abide by their own laws. Congressman English stressed the importance of labor standards. He asked organizations to submit labor concerns to his congressional office. He noted that the labor standards issue "is a work in progress." Congressman McDermott seconded the importance of NGOs contacting Congress.

Congressman McDermott responded to a question on development aid by emphasizing that aid needs to augment trade and that the United States should coordinate the two.

Meeting With Nigerian Trade Minister Precious Ngelale, Mauritius

The Nigerian Trade Minister has only recently assumed his post. He opened the meeting by saying that AGOA has provided important access to the U.S. market, giving Africa a competitive advantage that is so important because many countries are ahead and Africa faces many impediments. Nigeria intends to convene shortly a stakeholders' forum in order to sensitize Nigerians to the opportunities that AGOA provides. He said that Nigeria needs capacity assistance to develop the expertise to help utilize the legislation. He asked that the third country fabric provision be continued beyond 2004.

Chairman Thomas noted that Nigeria has energy resources that make Nigeria different from other African countries, suggesting that Nigeria establish a niche as a supplier of fabric instead of apparel. The Minister responded that he hopes to obtain more information over the next few weeks on this issue and is collecting specifications from Mast Industries. He noted that Nigeria has other shortcomings to overcome.

Chairman Thomas mentioned that Nigeria has not been certified for AGOA apparel benefits and asked how he can help. The Minister responded that the legislation authorizing the anti-transshipment measures necessary for certification has not yet passed the Nigerian legislature but is expected within the next few weeks. He then mentioned two other means for Members to be helpful. First, he asked that the technical definition of folkloric and handloomed articles be clarified. Nigeria produces handmade African print textiles (not apparel), for which there is no U.S.-produced equivalent, that are not eligible for benefits because of a Department of Commerce interpretation. Chairman Thomas offered to push the Department of Commerce on the eligibility for such traditional, handmade products given the lack of competition with U.S. products. The Minister also asked the Members to consider a linkage between the trade benefits of the Caribbean Basin legislation and the Africa legislation. The Chairman responded that this request was politically more difficult because it would require opening the market to everyone, making it hard to control.

Chairman Thomas also raised the issue of HIV/AIDS, noting that awareness, not money, seems to be the biggest obstacle, because there is no authority structure to test people. The Minister responded that Nigeria's president is personally committed to raising awareness. Nigeria is beginning to make progress with antiviral drugs, and the Minister asked for continued assistance.

Meeting With Ambassador Linnet Deilly, Deputy USTR and U.S. Representative to the WTO

After some general discussion about the difference between Geneva representatives and ministers from capitals, Congressman English asked the Ambassador how the United States is viewed in the WTO. The Ambassador pointed first to agriculture, noting that the U.S. agriculture proposal is especially timely because of concerns over the U.S. farm bill. She also mentioned the U.S. zero duty proposal for industrial goods and said that she has been discussing with developing countries how their tax structures can be modified to provide a revenue base if customs duties are reduced through the WTO. She also mentioned that she is working with developing countries on the issue of "special and differential treatment," noting that the more developed of the developing countries are concerned that they are being left out. She said that the developing countries realize that they need to reach consensus on this issue among themselves first. On services, she is concerned that only a few countries are active.

Congressman English then asked about the prospects for the Ministerial meeting in Cancun in September. The Ambassador said that many important deadlines for determining modalities in several negotiations are yet to be determined. She pointed in particular to the March deadline in the agriculture negotiations for determining modalities, noting that she was concerned that the deadline would not be met, meaning that the issue must be resolved in the Cancun meeting in order to finish the Round on time.

Congressman English asked if there is room in the WTO for improving transparency. The Ambassador replied that there has been slow progress, pointing to dispute settlement as a particular area of controversy. Congressman English then asked about the negotiations on antidumping, stating that it is hard for the United States to come up with reforms in this area. The Ambassador replied that the issue is on the agenda, and the New Zealand Ambassador, who heads the negotiating group, is sensitive to U.S. concerns. She hopes he remains as head of the group. In general, she thought these negotiations would have been more adversarial than they are, and she does not expect much development before the Cancun meeting.

Chairman Thomas then asked why the EU brought the Foreign Sales Corporation case against the United States in the WTO. The Ambassador replied that the decision seemed to be "personality driven." Chairman Thomas stated that the United States intends to comply, although it is learning from the EU how to comply with the letter and not the spirit of the WTO. He said that Members are very frustrated by this case and will use every opportunity to put others on the defensive.

Chairman Nussle added that the farm bill was borne of this frustration. U.S. farmers, he said, are ready for a trade war. The Ambassador responded that many WTO members understand this frustration, and she noted that the United States is living up to its agriculture obligations in the farm bill but showed a desire to increase subsidies in order to compete with others. Chairman Thomas noted that it will be difficult to bring a WTO agriculture agreement to Congress that does not make substantial changes—the United States must "come home with something on agriculture, or don't come home." The Ambassador agreed that agriculture is the key opportunity for the United States. She noted that many countries in Africa agree with the U.S. position on subsidies, but it is difficult to get them to speak up.

The Ambassador then brought up the issue of HIV/AIDS, noting that the United States was the only country to oppose the new trade related intellectual property rights language being offered in December. She said that she expects the issue to arise again in early February, and positions seem to have hardened in the meantime. She said that the issue is not part of the "single undertaking" in the WTO. When Chairman Thomas asked if the developing world will walk away from the new Round because of this issue, the Ambassador said that many countries believe they are merely implementing the Doha Declaration, although they are clarifying the "constructive ambiguity" on this issue in a manner with which the United States does not agree. The issue, she said, is consuming valuable time.

Meeting With Lesotho, Trade and Industry Minister Mpho Mallie, Jan. 15, 2003, Mauritius

Chairman Thomas opened the meeting with Lesotho's Minister of Trade and Industry Mpho Mallie and his delegation by saying "I have been told you are a success story but that you believe your success is due to a short term window and that you are working hard to turn that window into a door." Minister Mallie agreed that Lesotho has taken full advantage of AGOA, particularly the temporary exception that allows least developed countries like Lesotho to use third country fabric until 2004. The Minister explained that the Lesotho government is still "riding the crest of a wave" as a result of elections in 2002, but democracy has raised expectations among citizens in Lesotho. He said the Government, defending itself against "the enemies of democracy," is under tremendous pressure to demonstrate that "democracy delivers" improved living standards and a more equitable distribution of income.

Minister Mallie said that AGOA has allowed Africans to "pull ourselves up by our bootstraps." He noted that 18 out of 38 eligible countries have been certified under the transhipment provisions to export apparel benefitting from AGOA preferences to the United States and that eight other countries are in the pipeline for certification. While Lesotho has succeeded in attracting investors to establish the biggest denim mill in sub-Saharan Africa, Minister Mallie is concerned about what happens to countries that have not yet been certified. He noted that the U.S.-Chile Agreement secured access for apparel made from third country fabric for ten years (under the trade preference levels) and that Chile's capacity to produce indigenous fabric far exceeds Lesotho's.

Chairman Thomas noted that, for investors, stability is important and that the United States contemplates a "free trade layer on top of AGOA" in the form of a permanent free trade agreement with SACU countries. He urged the Minister to think in terms of building on current success by investing "back in the African region" so that investment doesn't always have to come from Sri Lanka, Taiwan, and other Asians countries. Chairman Thomas expressed his concern with countries like Nigeria who have yet to pass the necessary legislation to make them eligible for certification (for apparel benefits) under AGOA. In light of these delays, it will be difficult to extend the third country fabric provision "because Members of Congress have been promised action and concrete results." He asked what progress Congress could expect from uncertified countries if the third country fabric provision is extended.

Minister Mallie turned the discussion to the case of Lesotho, which has succeeded in meeting the challenge of putting the necessary legal framework in place to be certified for apparel benefits. He said that a short extension of the third country fabric provision would give stability to investors in Lesotho and encourage additional investments in new fabric and yarn mills. Negotiations on these potential projects are fairly advanced but hinge on Lesotho's ability to support the projects with adequate infrastructure, including power and water. He said a study has been commissioned for the Metolong water project, which would dam the area in order to supply water to industrial sites under consideration by investors in the city of Maseru. Unfortunately, Lesotho has the additional problem of securing funding to construct this infrastructure to supply the factories, and time is running out on the third country fabric provision. Before the textile and yarn production can come on line, Lesotho will face a requirement to use local (or U.S.) fabric.

Chairman Thomas said that he appreciated this very concrete, practical example of problems that Lesotho, a country that has made huge efforts to comply with AGOA conditionality, was having in making further progress in the face of the 2004 expiration of the third country fabric provision. This example, said the Chairman, is "a real thing I can sell" in Congress.

Working Lunch Meeting With National Retail Federation

Erik Autor, Vice President of the National Retail Association, noted that ethical and security compliance issues increase the costs for apparel production at a time when prices are dropping, creating a daunting challenge. He mentioned that the AGOA certification process has been slow, which in turn slows investment decisions. He raised the question of whether the African industry can survive the expiration of third country fabric eligibility in 2004 and the end of global quotas in 2005. However, he also noted that the retail industry knows that it is risky to deal entirely with China instead because he expects a large number of safeguard cases once quotas expire. He suggested a short extension of the third country fabric provision to allow the African industry to develop its own fabric and yarn production. A long extension, however, would hamper the development of this industry. He also suggested a transition rule out of third country fabric to either a series of tariff rate quotas that would be ratcheted down or to an EU-style rule of origin (requiring double transformation using third country yarn but regional fabric—fabric forward—which would be easier for suppliers because the rule would be same for the United States and the EU).

The Shibani representative noted that he would not invest in a spinning operation in Africa because it is too expensive; he would rather purchase yarn. He agreed that a double transformation rule would be better in Africa. He noted that Africa cannot compete with China's wage levels.

Chairman Thomas noted that China cannot be stopped in its drive to develop. He asked how a favorable environment for Africa can be created instead. Autor replied that China beats Africa on price, quality, and on time delivery—China could clothe the world. Janet Rivett-Carnac noted that the vendor base has contracted. Chairman Royce asked about the differential in the labor rates between China and Africa. Autor noted that Chinese wage rates are very low, particularly where workers are imported from rural areas to work in textile mills. He noted that many retailers are looking to Vietnam, which is expected to be a major player and is increasingly a competitor of China for labor. Although the wage rate is approximately $95 a month in Vietnam (versus $55–60 in Africa), the workers are quite skilled. Rivett-Carnac noted that China has a huge advantage because the cost of fabric is the largest component in the cost of apparel and China's fabric production is state owned. In response to a question from Chairman Royce as to whether China's fabric production is subsidized, Autor noted that China is indeed vulnerable to unfair trade cases.

Chairman Thomas remarked that worker conditions in the African factories visited by the delegation seem to be quite good, while in China, it is necessary to see the entire factory to understand the working conditions. Autor responded that Sears estimates that China's worker rights compliance is only about 45% (primarily because China employs so many workers from the rural areas), while Vietnam and Bangladesh have a 98% compliance rate.

AGOA Forum Sponsored by Non-Governmental Organizations

Congressman McDermott attended the opening of the NGO Forum and gave introductory remarks expressing his pleasure in seeing the benefits of AGOA and the potential to further progress. His comments follow.

Given how trade with the United States has helped the Asian economies, a similar relationship between the African nations and the United States should also lead to enormous potential for Africa. The historical policy of simply giving aid and assistance is not creating satisfactory results. Mauritius led the effort to change U.S. policy from aid to trade. Congressman Rangel and Chairman Crane were critical to passage of the original AGOA legislation, and more recently Chairman Thomas' leadership in passing AGOA II shows that the Congress will remain engaged in sub-Saharan African trade matters. "As Africa flourishes so does the United States." Regarding agriculture, Africa needs to push for the curtailment of U.S. and EU agriculture subsidies and work toward the means of getting their goods to market. The United States needs to work on giving assistance to African exporters on how to meet the strict SPS requirements of the West. The delegation saw in Namibia how important infrastructure is to growing African economies. AIDS is the single most important challenge facing Africa given that it can destroy the society and the economy—farmers, teachers, health workers, parents. Hopefully, AGOA will show that Africa can compete in the world market. Africans and Americans should not focus exclusively on trade; African nations need to invest in people, education, and healthcare too.

Bilateral Meeting With South African Minister for Trade, Alec Erwin

Chairman Thomas invited Minister Erwin to comment on the SACU Free Trade Agreement with the United States, HIV/AIDS, and multilateral negotiations at WTO. Minister Erwin expressed the same concerns that other AGOA beneficiaries did, primarily focusing on the problems related to the expiration of the Act and the general "footloose" nature of the textile and apparel industry. By this he explained that the textile and apparel industry is perceived to be able to easily open and close facilities and thus is not a dependable direct investor for a developing country. For these reasons, the SACU–FTA is an exciting prospect to lock-in AGOA benefits for SACU. Minister Erwin noted that non-AGOA exports are much larger and more important for South Africa since it is very competitive on energy. Fabrics are in short supply in South Africa, and it has the workforce and capital to invest in sophisticated machines and operations that bring more certainty and better jobs to the country. For example, Lesotho benefits from its access to South African infrastructure—roads, water, and energy, and South Africa can provide many of the accessories for apparel, such as zippers and buttons, that support Lesotho's new industry.

According to Minister Erwin, the export problems that South Africa faces with the United States are certain tariff escalations and peaks "on anything expensive." Also, South African sugar, including glucose for chemical or food products, and various products face an average of 7% tariffs. Their goal in the U.S. FTA is to replicate the benefits they receive with the EU. Erwin commented on trade with Europe as being very complex. For example, the top twenty export categories to Germany are also the top 20 imports. With the United States, South Africa's dominant export is diamonds, and it imports the usual high-tech equipment such as computers. South Africa also does well exporting fiber products to Mauritius.

Regarding Namibia, Minister Erwin noted that it had a shortage of water in the south and thus was more competitive with apparel and spinning rather than textile production. Like Lesotho, Namibia benefits from South Africa's cheap energy. Also, Namibia has a good, skilled workforce that has a lower cost than South Africa.

Mr. McDermott asked whether the expiration of the third-party fabric provision is good for South Africa. Erwin replied that South Africa can supply some but not all third party fiber or fabric. So, South Africa supports the extension of the third party fabric provision past 2004. He also noted that South Africa can supply fabrics and fibers cheaply in part because of their energy surplus, but not nearly the range of products that the United States demands. In general, South Africa exports bulk product to nearby countries like Lesotho or Namibia. More expensive exports remain in South Africa in order to fly to the United States or Europe. South Africa would like lower cost production to migrate out of the country thus leaving more skilled industries and jobs to remain such as engineering and chemical products. South Africa does not expect to be a clothing-driven economy but will remain involved in textile production for the benefit of other SACU countries. This is unlike the EU-South Africa trade agreement in which only South Africa's interests are involved.

Minister Erwin commented on South Africa's general free trade views. It is engaged in trade negotiations with Mercosur and China. Chairman Thomas asked Minister Erwin to comment on multilateral issues. Minister Erwin said that the South African agriculture industry is closely unified with the United States' stance in the WTO although South African farmers are also critical of the U.S. farm bill. He then provided a brief analysis of different multilateral issues. He noted that South Africa differs with the United States on Rules but holds similar views as the United States on GMOs, Geographical Indications, Competition, SPS, and Market Access.

The delegation also discussed some of the peculiar infrastructure conditions in southern Africa, in particular the rail system. Southern Africa inherited two non-compatible rail gauges, one built by the British and one by the Germans. New additions require the Africans to choose which gauge to use.

Bilateral Meeting With Kenyan Minister for Trade, Mukhisa Kutiyu

Minister Kutiyu described Kenya's various issues such as the benefits Kenya derive from AGOA, but also that Kenya seeks to move beyond AGOA benefits. He sees growth through further integration with the region and the rest of world. Kenya has some trade problems with the United States related to the complex nature of U.S. inspectional services and the ability to understand and meet U.S. product standards for inspections and packaging. Delegation members acknowledged that they recognize the general difficulty many African nations have in meeting U.S. agricultural standards. The United States has recently announced efforts to station U.S. inspection experts at hubs in Africa in order to provide technical assistance to African exporters. The Kenyan delegation received this information with appreciation.

Another problem proving to be more intractable is the bombing of the American embassy in Mbasa, which has caused business to be reluctant in investing in Kenya. The Kenyans noted a general stigma has since attached to the country. The Kenya delegation commented that Kenyans consider Americans to be good partners. Kenya also seeks more assistance for trade capacity building, and they are grateful for what USAID has provided their country. Minister Kutiyu noted that women in Kenya have also benefitted from enhanced trade and AGOA. He expressed concern about the expiration of AGOA and the chilling effect the deadline has on Kenya's ability to attract new business.

Minister Kutiyu also emphasized the importance of maintaining good credit arrangements for Kenya. Kenya is willing to put "seed money" into building the infrastructure required by businesses. Some infrastructure is difficult to accommodate, however. For example, when tourists come with credit cards, small street vendors with stalls are not able to accept them.

Minister Kutiyu noted that his party won on promises to fight corruption and to rely upon market principles. Last week the government's major anticorruption bill passed, and a public ethics bill is being considered with new conditions that will remove any form of corruption. "We are staking our political future on it." He recalled anecdotes of how local police would ask overcrowded busses for bribes, and this pent up frustration by the public has boiled over. Chairman Thomas asked whether there were any big cases that highlighted Kenyan efforts, and Minister Kutiyu said there have been a couple.

The Kenyan delegation returned the discussion to the 1988 terrorist attack on the U.S. embassy and its chilling effect on business. Also, the U.S. treatment left a bad impression on Kenyans because the Kenyan victims received compassionate mention and some payment to affected relatives, but the U.S. press emphasized the fewer Americans who were harmed. Last year there was an attempt to blow up a passenger airplane. The Kenyan delegation stated that Kenya had suffered more than other African countries from terrorism, and although it joined the war against terrorism, Kenya remains a soft target with no capacity to preempt such a strike. Chairman Thomas mentioned a similar problem in South American countries due to the presence and violence of drug lords. The Kenyans described their poor infrastructure and how this affected farmers' ability to get goods to market, and there is a need for partnerships to help replace transportation facilities.

On the issue of subsidies, the Kenyan minister noted that Kenya votes with the United States at the WTO in wanting to remove subsidies, but Kenya's trade with the United States is selective and smaller than that with Europe. Subsidies allow countries to sell cheaper into markets that Kenya could be competitive in, such as wheat, milk, and meat. "We should export but instead we import these goods." The delegation noted this to be common ground that Kenya and the United States shared. Also, on the issue of biotech, Minister Kutiyu stated that he supported its use and Kenya wants to "maximize production with science."

SOUTH AFRICA

South Africa has a population of 44.6 million people and a gross domestic product of $126 billion growing at 2.0% per year. South Africa currently has a high rate of unemployment at 28.8%, and although the national currency (the Rand) dramatically fell several years ago, there has been a strong increase in the last two years. South Africa remains a deeply segregated society with very uneven distributions of wealth and income, despite efforts by the new government to create affirmative action and black empowerment policies. There have been marked improvements recently in public housing and electrification for poor communities. South Africa exports $42 billion to the United States, largely minerals such as diamonds, iron, ores, and soda ash. U.S. exports to South Africa of $3 billion consist of aircraft, computers, television and radio parts, and medical equipment. Moreover, the United States has $2.8 billion in direct foreign investment in South Africa, the top investors being SBC Communications, Dow Chemical, and Coca-Cola. The relative political stability, excellent infrastructure, and respect for the rule of law create an attractive commercial atmosphere for foreign companies although there remain some government monopolies in areas such as telecommunications.

South Africa is a newly independent nation having gone through decades of civil strife due to the infamous apartheid government that denied basic human and legal rights to the majority of the black South African populous. A new government was created in 1994, and until outlawed, African National Congress (ANC) became the majority governing party in the first election. Opposition parties have not yet formed although there are signs of fractures beginning in the ANC as the older, revolutionary generation turns over power to younger members.

Country Briefing With Ambassador Hume, Capetown, South Africa

Ambassador Hume and his country team provided an overview of United States-South Africa relations, regional and domestic politics, the HIV/AIDS crisis, the economic situation, and cooperation with the United States on international crime and terrorism.

The Ambassador noted that South Africa has pursued a parliamentary system of government since apartheid ended, along with economic reforms. The African National Congress (ANC) has significant power under the current system, in which legislators are elected under party controlled "lists" rather than directly by voters. The ANC currently controls 66% of the seats in Parliament. There are a number of parties smaller than the ANC, but there is little coordinated opposition to the majority. The ANC's strong majority is perceived as a potential but not present danger to democracy because there is freedom of press and speech and a great deal of open debate and criticism of various government actions. The major focus of the government has been in improving the economy and providing more opportunities for black South Africans. The government emphasizes rule of law and democratic values. Voters are seeking increased economic growth, job creation, and control of crime.

Crime is a serious problem. South Africa has the world's highest rates of homicide and rape. There are media reports of Al Qaeda and other terrorists present in South Africa. The government is cooperating with the United States on security and law enforcement issues. The United States is providing South Africa with assistance such as by training prosecutors and developing laws.

The AIDS pandemic is the most significant health crisis facing the nation. AIDS is already producing high death rates in women in the early 20s and men in their early 30s. South Africa is the most affected country in the world with 5 million HIV infected individuals, representing with 25% of young women, 22% of the military, and 30% of miners—one of the most important industries in South Africa. The death rate will continue to climb through 2010. Life expectancy is expected to fall from 59 years to 41. The disease affects all economic and ethnic groups. Current expectations are that the disease will create millions of orphaned children during the next decade. Efforts to deal with the disease have been hampered by the government's acceptance of spurious scientific views disclaiming the link between HIV and AIDS. Some South African officials have publicly denied the link, undermining public health agency efforts to provide care and prevent disease transmission. Former President Nelson Mandela has stated that his one regret is that he did not initiate a comprehensive program of HIV/AIDS awareness and treatment. Since his retirement, he has spent a great deal of time raising money and awareness of the issues and even criticizing President Mbeki and the ANC for its inaction.

Government agencies are providing assistance to pregnant women in an effort to prevent transmission of the disease to infants. Private companies have also initiated programs to educate people about the disease and to prevent transmission. The U.S. Agency for International Development, the National Institute of Health, and the Kaiser Foundation are working in South America on AIDS care and prevention programs. NIH has established grant programs to support treatment and research.

In the foreign policy arena, South Africa is leading efforts within the region to promote economic union. South African President Mbeki is a supporter of open government, and the country has supplied 1,700 peacekeepers to Burundi to support the peace process there. Similarly, South Africa has placed peacekeepers in the Congo. However, South Africa has been reluctant to criticize the actions of President Mugabe in Zimbabwe despite his property seizures, economic policies that have led to starvation conditions, and the general destabilizing effect his policies have caused.

South Africa has developed strong ties with the United States. There are frequent high-level government meetings. Five U.S. cabinet members visited the country last year. The two nations are cooperating on peace and security issues in the region, international crime, and international health issues such as AIDS, sexually transmitted diseases, child abuse, and alcoholism.

The region is also facing a severe food shortage. Adverse weather conditions and the Government of Zimbabwe's change in land ownership policy have reduced farm output. Some 14.4 million people in the region need food aid at this time, 6.7 million of them in Zimbabwe. The United States has donated over 500,000 metric tons of food aid with a value of over $260 million. Some governments, however, are rejecting aid because of their refusal to accept product produced with GMOs. Zambia has rejected GMO product outright, while Mozambique and Zimbabwe are imposing strict labeling and milling requirements that limit the distribution of the food aid.

South Africa's 2001 GDP was $110 billion. The nation dominates the region; its economy represents 25% of the GDP, of all of Africa. It is the third largest beneficiary from the AGOA legislation. The government has maintained sound economic policies since 1994. Government deficits have been relatively low as a percentage of GDP, and the central bank has operated independently of the executive branch and has adopted conservative policies.

The nation has continued to divert its economy since the transition to majority rule. Manufacturing has increased while minerals production now represents less than 10% of the economy. Efforts are being made to engage in adding value to the nation's mineral products. The telecommunications and other infrastructure systems are in good condition, and the financial sector is highly developed.

Agriculture represents under 4% of the economy, and the nation is relatively self-sufficient. Wine and processed fruits are prominent sources of exports. Grain prices have escalated significantly, particularly for maize and meal, due to abnormally low crop yields and a weak Rand. There are no marketing boards or price controls in the agriculture sector.

Exports fueled the nation's 3% economic growth last year. Similar growth is expected this year, despite expectations that a strengthening Rand will reduce exports. AGOA programs have contributed to economic growth and to expanded exports. Last year, AGOA supported 89,000 jobs in the country, up from a level in excess of 60,000 in 2001. The AGOA II legislation, particularly expansion of access to the U.S. market for merino wool and sweater products, has further extended opportunities.

Bilateral trade with the United States exceeded $7 billion during 2001, more than the level of bilateral trade between the United States and Chile. Major U.S. exports include aircraft, pharmaceuticals, and computers. There remains a significant divide in the distribution of wealth. Some 60% of black south Africans live in poverty. Black per capita GDP is slightly more than $1,000 while white South Africans have a per capita GDP over $7,000. The government is attempting to improve the standard of living through a number of programs. Since 1994, the government has built 1.2 million units of low cost housing, has extended electricity service to 70% of the nation's houses, and has improved water services to the point where 84% of the public have access to clean water.

The nation does face a number of economic challenges. The HIV/AIDS pandemic threatens to undermine the nation's work force, and levels of savings and investment are rapidly falling. A series of labor issues, including rigid labor laws and a shortage of skilled labor, could limit growth. Violent crime has destabilized the economy. There are also continuing questions about black economy empowerment policies; Embassy staff noted that a recently leaked draft government paper on "reforms" in investment policies caused panic among investors and a sharp drop in investment values. Finally, uncertainty about potential spill over impacts from instability in Zimbabwe has raised concerns for investors.

Visit to the Michael Mapongwana Community Health Center, Khayelitsha, South Africa

The Western Cape Province has the most progressive HIV/AIDS policies in South Africa, with a program that is nearing 100 percent coverage in the use of nevarapine to prevent Mother to Child HIV Transmission (MTCT). The Western Cape also has begun to introduce anti-retroviral (ARV) AIDS treatment in public health clinics with plans for full implementation over the next three years. The use of ARVs has been piloted for over three years in Khayelitsha by Doctors Without Borders (French acronym MSF) in coordination with the provincial health department. As of July 2002, the province has also worked in partnership with a British NGO relying exclusively on local medical practitioners at a clinic in Guguletu. Dr. Fareed Abdullah, the delegation's host for the visit, is the architect for the province's programs, which also include a strong health and life skills education program in schools.

This robust program began in 1999, when the Western Cape Provincial Government was controlled by an opposition coalition without ANC participation—the New National Party (NNP) plus the Democratic Party, later merged into the Democratic Alliance (DA). When the NNP walked out of the DA and formed a new ruling provincial coalition with the ANC late last year, however, the new government quickly and publicly pledged its continued commitment to the existing health program. The current coalition government's Health Minister, Piet Meyer, is from the NNP.

The province and Doctors Without Borders are the joint recipients of a grant from a consortium of U.S. and international foundations through Columbia University's Mailman School of Public Health for "MTCT-Plus," a program that includes AIDS treatment with MTCT programing. The Michael Mapongwana clinic, therefore, administers nevarapine at its maternity clinic to impede transmission of HIV from mothers to their children, and the adjacent MSF clinic makes ARV therapy available to afflicted adults, including mothers. There is also a package of psychosocial support, including community outreach and education, patient education, and counseling. Hope Worldwide also participates in counseling and community outreach in Khayelitsha, including at the Michael M. clinic. Hope Worldwide is strongly supported by USAID in South Africa.

The clinic in Khayelitsha serves the surrounding impoverished area for the purpose of providing treatment and prevention counseling to women to prevent Mother to Child HIV Transmission. The area has a 22% infection rate. It has a 3-year old pilot program for the use of the drug nevarapine, an anti-retroviral AIDS treatment. The clinic is sponsored by Doctors Without Borders, a French-based organization, in coordination with the Western Cape provincial health department.

Khayelitsha is largely populated by temporary tin plate-sided constructions, although many receive electricity due to government efforts. The delegation passed miles of slum areas and was told that Khayelitsha is home to over 750,000 people on the outskirts of the more affluent Capetown. Nonetheless, the delegation noted the first class road system that runs throughout the area. Embassy staff remarked that the former South African government required such a system in order to exercise control over the population and also to provide transportation for those who traveled to work.

The clinic is a one-level building with administrative offices to process women seeking treatment, testing, or counseling. There was a common waiting room, and the delegation saw several dozen patients. The clinic also has 10 beds for women in labor. Part of the program involves a group counseling and education session in which HIV and AIDS is explained as well as behavior that can lead to infection. Since breastfeeding accounts for 15% of mother-child transmissions, part of the counseling involves dissuading women from breastfeeding despite the social and cultural pressures to the contrary. Particularly effective were women who had been effectively treated and could demonstrate that while they had HIV/AIDS, their children did not. The clinic has tested over 20,000 women, which Dr. Abdullah commented was a high proportion of the community and which helped take the stigma of the clinic away. Most women tell their spouses of the test results, despite the high risk that their spouses will abandon them. There is an effort to attract the spouses for testing and treatment. One dose of the drug nevarapine decreases transmission by 50%.

CODEL Physician's Professional Observations (Lt. Cmdr. Timothy Burgess, U.S. Navy)

The maternity clinic in Khayelitsha was notable for its modern and well-equipped (by Sub-Saharan African standards) obstetrical facilities, with the exception of open wards for laboring women (versus private or semi-private rooms). The model program for interruption of mother-child transmission of HIV appeared to be comprehensive and effective. Dr. Abdullah indicated that transmission rates in his program were decreased by "about 50%," which is consistent with results in other settings such as Thailand. On further specific questioning, Gray Handley from the U.S. Embassy indicated that the actual figure ranged from 23–50%. It was not possible to ascertain data on how advanced the HIV disease is with the patients since there are no facilities nor funds to collect the data; the information is of interest because it would impact both the expected transmission rate as well as the expected benefit of MCTC interruption therapy.

For South Africa the largest issue affecting the provision of antiretroviral therapy is governmental acceptance of current theories and practices, as was discussed by a number of the members including Chairman Thomas and Congressman Royce. For Africa, generally the first key issue is identifying infected individuals. Regardless of the intervention (counseling on prevention, targeting MTCT, providing ARV therapy, etc.), identification of infected individuals is the first step. This involves two factors: Having a reliable, cheap, easy test available, and persuading the population to accept and participate in testing. In Namibia, the CDC program relies on a particular commercially available rapid diagnostic test.

All testing must be accompanied by counseling and psychosocial support: a positive test may cause tremendous emotional stress and potential ostracism if publicized, but a negative test may result in a false sense of security or invulnerability that results in subsequent increased behavioral risks. A separate issue is that of discordant results among couples (one partner positive, the other negative). In societies where women have less standing than men, a positive result could result in ostracism—at best—if the husband is negative or (much more likely) refuses testing. This question was posed in Khayelitsha, but statistics were not available.

ARV medications are not without risk, primarily societal risk. They are not one-time interventions, except in the case of MTCT prevention with nevarapine; they must be taken for life to treat an established infection. The drugs must be taken as prescribed in sometimes complicated regimens, or they are ineffective. Not only are they ineffective for the individual who is not adherent to the regimen, but the risk of HIV resistance to ARV meds is markedly increased. That is, partial treatment may lead to a person's own HIV becoming ARV-resistant; this could result in transmission of resistant virus to others, analogous to the situation with multidrug resistant TB. Resistant HIV has already emerged in the United States, before widespread use of ARV in Africa. So the risk of a direct contribution of resistant HIV developing in Africa (from poorly administered drugs) to global spread of resistant HIV may or may not be significant, but the possibility certainly exists and data is probably not available to quantify the risk yet.

Simple provision of medications, at whatever cost and by whomever, whether patent-protected or not, is not the solution to the problem of HIV/AIDS in Africa, or anywhere. The ultimate solution is disease prevention (ideally transmission prevention, either behavioral or with a vaccine). Progress on this front is being made (in part by the U.S. military, incidentally), but this solution is not imminent. The interim solution involves interruption of transmission and, where possible, treatment of infection. But absolutely pivotal to these interventions is an infrastructure that supports them. Such infrastructure is very unlikely to exist without governmental support in-country.

Visit to BMD Textile Plant in Capetown, South Africa

Chairman Thomas toured the 40,000 square meter BMD Textile manufacturing plant at Capetown. In addition to high quality fabrics and apparel, the plant manufactures technical textiles such as tarpaulins, commercial banners, awning fabric, and geosynthetics for engineering, agriculture, mining, and building applications. The plant uses state-of-the-art computer graphic design and fabric finishing controls.

Press Conference in Capetown, South Africa

The delegation met with local press, who asked about the prospects of an AGOA extension, findings of the CODEL, and the problems of the continued leadership of President Mugabe in Zimbabwe. The local press reported the delegation's views that President Mugabe was a harmful element to his own people and should leave office. Chairman Royce commented that this crisis has affected South Africa by making the area less attractive and stable for foreign investment. Other criticisms the delegation voiced were that President Mugabe had stolen last year's election, opposition leaders had been murdered, and food was being used as a political weapon and going first to the military and political leaders.